

Public Hearing – March 5, 2019
Energy and Technology Committee

Testimony Submitted by Commissioner Katie S. Dykes

H.B. 7251 – An Act Concerning Long-Term Contracts for Certain Class I Generation Projects and the Residential Solar Investment Program and Requiring a Study of the Value of Solar

Thank you for the opportunity to present testimony regarding H.B. 7251 – An Act Concerning Long-Term Contracts for Certain Class I Generation Projects and the Residential Solar Investment Program and Requiring a Study of the Value of Solar. The purpose of this bill is to extend the low and zero emission Renewable Energy Certificate (LREC/ZREC) program for one additional year, extend the residential solar investment program by an additional 100 MW, and require DEEP to contract with the Connecticut Academy of Science and Engineering to study the value of solar.

The Department of Energy and Environmental Protection (DEEP) welcomes the opportunity to be part of the dialogue on how to ensure successful implementation of a successor program for distributed renewable energy generation.

Expanding renewable energy generation at all scales is critical to meeting the state's Renewable Portfolio Standard of 20% by 2020 and 40% by 2030, and to meeting our Global Warming Solutions Act requirement to reduce economy-wide greenhouse gas emissions. Smaller scale, distributed renewable energy offers unique benefits to the distribution system, minimizes environmental siting concerns, and gives Connecticut residents and businesses an entry into the clean energy economy. Through strong incentives, policies, and competitive incentive and REC purchase programs facilitated by the state's electric utilities and the Connecticut Green Bank, Connecticut has expanded distributed generation significantly in the last decade and built a thriving renewable energy workforce while reducing incentive levels at pace with falling renewable technology costs.

Public Act 18-50 began a transition of Connecticut's distributed energy programs to a more market-driven, competitive, cost-effective and transparent framework. DEEP supports these ultimate objectives and is committed to ensuring a smooth transition. DEEP recognizes that more time may be needed than Public Act 18-50 currently allows for project developers and financiers to adapt their business models to new policy frameworks and compensation structures, and for the electric distribution utilities to adjust and modernize their metering and billing systems. An extension of time should not, however, halt or reverse the progress to date on new tariff development.

DEEP supports the bill's extended timeline for implementation of a new tariff structure. Rather than extending the Residential Solar Investment Program (RSIP)—the expiration of which triggers the "sunset" of current net metering pursuant to Public Act 18-50 currently—DEEP suggests that the Committee time the end of current net metering to a specific date in the future. Identifying a specific "in effect" date for new tariffs in the future can provide certainty and clarity, and should account for the time necessary between the issuance of the final tariff

structure and the utility billing and metering systems that can deliver the new tariff structures to customers.

DEEP also supports an open and transparent process to study the costs and benefits of distributed generation and to determine how the State can best maximize the benefits from, and minimize the costs associated with, deployment of distributed generation resources. The Public Utilities Regulatory Authority (PURA) has already begun its investigation into issues relevant to the value of avoided distribution costs and the costs of distributed generation integration in its pending grid modernization docket, Docket No. 17-12-03. DEEP also has pending its Integrated Resources Plan (IRP) which will provide many of the inputs relevant to the value of avoided generation and capacity costs. Therefore, the directive for a study could provide for authorization for DEEP and PURA to opt to conduct such a study jointly, for the purposes of efficiency and to reflect the unique expertise of both agencies.

DEEP looks forward to the opportunity to work with the Committee and all stakeholders to ensure continued progress in the development and implementation of the updated tariffs authorized in Public Act 18-50 to sustain the deployment of distributed generation in Connecticut.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact Mandi Careathers, DEEP's Legislative Liaison, at Mandi.Careathers@ct.gov.